No. 87-2046

IN THE

Supreme Court of the United States

OCTOBER TERM, 1987

UNIROYAL, INC.,

Petitioner,

—v.—

RUDKIN-WILEY CORPORATION,

Respondent.

PREMIX, INC.,

Petitioner,

—v.—

RUDKIN-WILEY CORPORATION,

Respondent.

PETITIONERS' REPLY BRIEF TO RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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TABLE OF CONTENTS

	PAGE
RUDKIN-WILEY'S STATEMENT OF THE CASE ...	1
ARGUMENT	2
I. THE FEDERAL CIRCUIT'S REVERSAL OF THE JUDGMENT INVOLVED FACTUAL, NOT MERELY LEGAL QUESTIONS	2
II. THE FEDERAL CIRCUIT MADE ITS OWN FACTUAL FINDINGS IN CONFLICT WITH THE DISTRICT COURT FINDINGS	4
III. RUDKIN-WILEY ARGUES FOR AN INCORRECT INTERPRETATION OF THE APPELLATE RULES	5
CONCLUSION	7

TABLE OF AUTHORITIES

Cases: PAGE

Bullen v. *De Bretteville*, 239 F.2d 824 (9th Cir. 1956), *cert. denied*, 353 U.S. 947 (1957) 6

Graham v. *John Deere Co.*, 383 U.S. 1 (1966) 3

Icicle Seafoods, Inc. v. *Worthington*, 475 U.S. 709 (1986) 2, 3

In re Conrad, 439 F.2d 201 (CCPA 1971) 3

Mandel v. *Max-France, Inc.*, 704 F.2d 1205 (11th Cir. 1983)..... 6

Panduit Corp. v. *Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir.), *cert. denied*, ____ U.S. ____, 107 S.Ct. 2187 (1987) 2, 3

Uniroyal, Inc. v. *Rudkin-Wiley*, 837 F.2d 1044 (Fed.Cir. 1988)..... 4, 5

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RUDKIN-WILEY'S STATEMENT OF THE CASE

Respondent Rudkin-Wiley's brief[1] in opposition to Uniroyal/Premix's petition for a writ of certiorari states as fact, without reference to any supporting findings, matters on which the district court made contrary factual findings. For example, despite Rudkin-Wiley's assertion that Uniroyal "copied" Rudkin-

1 Hereinafter cited as "R-W br.".

Wiley's deflector (R-W br. at 2), the district court specifically concluded, upon all of the pertinent facts set forth in the opinion[2], that "Rudkin-Wiley's copying claim is . . . without merit." (Appendix B at 54a). Other such factual errors are also present in Rudkin-Wiley's statement of the case; but specific comment on such misstatements would digress from the appropriate focus of this reply.

REBUTTAL ARGUMENT

I. THE FEDERAL CIRCUIT'S REVERSAL OF THE JUDGMENT INVOLVED FACTUAL, NOT MERELY LEGAL QUESTIONS

What is most significant about Rudkin-Wiley's response is that it does not—because it cannot—refute the fact that the Federal Circuit arrived at its decision reversing the judgment of invalidity based upon obviousness without having reviewed the entire record. Rudkin-Wiley's suggestion that the Federal Circuit's decision involved merely a determination that there were "errors of law", not clearly erroneous findings of fact, is fundamentally inconsistent with the substance of that decision. In the absence of district court findings necessary to a resolution of the obviousness question, a court of appeals would vacate the judgment in the presence of errors of law and remand for necessary findings. *Icicle Seafoods, Inc.* v. *Worthington*, 475 U.S. 709, 714 (1986); *Panduit Corp.* v. *Dennison Manufacturing Co.*, 810 F.2d 1561, 1565 (Fed. Cir.), *cert. denied*, ____

2 This included, *inter alia*, findings that when the inventor of the Uniroyal device studied an early Rudkin-Wiley deflector, he concluded that it was a flat plate, high drag device designed to deflect the air almost perpendicular to the cab's centerline; that the '876 patent describes such a high drag device; that Uniroyal's inventor set out to, and did, develop a streamlined, low drag device shaped somewhat like a hemispheric shell with a smooth, curved forebody; that, much like a fairing, the Uniroyal device was designed to allow the flow to leave the trailing edge of the device smoothly and without abrupt change of direction; and that the Uniroyal deflector operates on different aerodynamic principles from the device of the '876 patent. (Appendix B at 49a, including note 5.)

U.S. ____, 107 S.Ct. 2187 (1987). Only where a proper application of the law by the court of appeals to unassailable findings by the district court compels reversal (a situation not present here as discussed at pages 4-5, *infra*), or where the "findings on which the obviousness conclusion rested are clearly erroneous and . . . nothing *of record* warrants a further exercise of the fact-finding function or indicates any possibility that the appealed judgment might be sustained by such exercise" is reversal of the judgment appropriate. *Panduit* v. *Dennison*, 810 F.2d at 1565-6 (emphasis added); see also *Icicle Seafoods* v. *Worthington*, 475 U.S. at 714.

At the heart of the Federal Circuit's decision on validity was its conclusion that the district court had failed to view the invention "from the position of a person of ordinary skill at the time it was made" (837 F.2d at 1051; Appendix A at 8a) and that there had been "no apparent basis for the district court's conclusion that it would have been obvious to one skilled in the art to make the combination." (837 F.2d at 1052; Appendix A at 11a). The level of ordinary skill in the pertinent art at the time the invention was made is one of the necessary underlying *factual* inquiries which the trier of fact must make en route to a determination of obviousness. *Graham* v. *John Deere Co.*, 383 U.S. 1, 17 (1966). The district court made this inquiry and found, as a fact, that the level of ordinary skill in the art would be that of an engineer familiar with aerodynamic or fluid mechanic principles. (Appendix B at 39a). After considering extensive expert evidence in the form of testimony, sketches, videotapes of airflow tests and in-court demonstrations relating to such principles, the district court further found that the prior art references taken collectively would have suggested the combination to such an engineer presumed to be familiar with such references. See *In re Conrad*, 439 F.2d 201, 205 (CCPA 1971). (Appendix B at 41a-43a).

The described principles of aerodynamics and fluid mechanics involve questions of fact, not law. Absent a review of the full evidence which had been before the district court concerning these fundamental principles, it was impossible for the Federal Circuit to know with what underlying technical under-

standing of the relevant principles an engineer possessing such ordinary skill would have assessed the prior art references. That it may not be obvious to a person untutored in music that certain combinations of tones will produce harmony (and others dissonance) in a musical composition, for example, does not mean that such matters will be non-obvious to a musician of ordinary skill.

In the present case, how was it possible for the Federal Circuit to reject the district court's conclusion that the combination of prior art references would have been obvious to a person of ordinary skill at the time of the invention without an understanding (based on review of the same evidence the district court had carefully considered) as to the perspective—in terms of underlying knowledge—from which a person so skilled would view the prior art? Similarly, how was it possible for the Federal Circuit to conclude that the district court had "erroneously analyzed and weighed secondary considerations of non-obviousness" (837 F.2d at 1501; Appendix A at 8a) without reviewing *all* of the evidence on such questions that had been before the district court? How too, without review of the entire record, could it be determined that nothing else "of record" would warrant a further exercise of the fact-finding function or would indicate any possibility that the appealed judgment might be sustained by such exercise?

II. THE FEDERAL CIRCUIT MADE ITS OWN FACTUAL FINDINGS IN CONFLICT WITH THE DISTRICT COURT FINDINGS

Rudkin-Wiley has attempted to avoid the necessity of admitting that the Federal Circuit's decision is necessarily based upon declaring district court findings "clearly erroneous" by urging that the Federal Circuit made no factual findings of its own but relied entirely on the findings of the district court. (R-W br. at 4-5) But this argument conflicts directly with the unequivocal words and actions of the Federal Circuit. Without repeating in full the discussion set forth in Uniroyal/Premix's petition, Rudkin-Wiley's argument can be refuted by reference simply to the Federal Circuit's ruling concerning secondary consider-

ations. The district court, *on all of the evidence*, found (a) that there was no evidence of a long-felt need for the Saunders device (Appendix B at 39a-40a); (b) that the features of the Saunders device did not carry with them a new and unexpected result (*Id.* at 42a); and, in substance, (c) that all of the circumstances were such as *not* to establish that many skilled people had addressed the problem over time without finding the solution (*Id.* at 40a). In direct contradiction of these factual findings, the Federal Circuit, on the basis of no more than the *partial evidence* printed in the appellate appendix, found (a) that the district court overlooked the fact that it was the claimed invention to which the industry turned after the 1973 oil crisis; (b) that it was the uniqueness of the claimed invention which made this so (837 F.2d at 1053; Appendix A, at 13a); and (c) that the district court "did not take into account other objective evidence of long-felt need and the failure of others" (837 F.2d 1054; Appendix A at 13a), including the Maryland study.

On the basis of its own findings on a *partial* record which were contrary to those of the district court on the *complete* record, the Federal Circuit stated that "we are convinced that the secondary evidence *as a whole* strongly suggests the nonobviousness of the claimed invention." (837 F.2d at 1054; Appendix A, at 14a; emphasis added.) It is difficult to imagine issues much more factual in their nature or appellate findings much more clearly in conflict with district court factual findings. As discussed in detail in Uniroyal/Premix's petition for certiorari, other findings of the Federal Circuit are also in direct conflict with the factual findings of the district court.[3] Beyond question, even a cursory reading of the Federal Circuit's opinion refutes Rudkin-Wiley's claim that it is based entirely upon the *district court's* factual findings and not on contrary factual findings by the Federal Circuit.

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3 See Uniroyal/Premix Petition for Writ of Certiorari, pps. 20-25, 28-29.

III. RUDKIN-WILEY ARGUES FOR AN INCORRECT INTERPRETATION OF THE APPELLATE RULES

Nothing in Rudkin-Wiley's brief in opposition to the petition suggests that the Federal Circuit reviewed the complete evidence on these questions or others. To the contrary, Rudkin-Wiley's brief acknowledges the fact that the Federal Circuit considered, at most, only "part of the available record" on such matters. (R-W br. at 4)

Implicit in Rudkin-Wiley's argument is the concept that the Federal Rules of Appellate Procedure do not mean what they say; and that, in conflict with the long-standing principle that it is the burden of the appellant to show error, a court of appeals can instead impose upon an appellee the burden of establishing an absence of error by requiring him to include within an appendix *all* evidence which supports each essential finding of the district court. On Rudkin-Wiley's theory, an appellate court can conclude that factual findings are clearly erroneous simply on the basis of a review of the *partial* record reproduced in the appendix.

Such has never heretofore been the rule. Nor do the cases cited by Rudkin-Wiley in any way support Rudkin-Wiley's position. *Mandel* v. *Max-France, Inc.*, 704 F.2d 1205 (11th Cir. 1983), involved an appellate circumstance in which the judgment had to be reversed unless it could be "affirmatively established that there was no prejudice *on viewing the entire record*." 704 F.2d at 1206 (emphasis added). Because appellee had failed to cause inclusion *in the record* of parts of the transcript needed to show the error harmless, a new trial was mandated. *Id.* at 1207. In the same vein, appellees in *Bullen* v. *De Bretteville*, 239 F.2d 824, 835-6 (9th Cir. 1956), *cert. denied*, 353 U.S. 947 (1957), were forced to bear the consequences of an inadequate *record* on appeal by reason of their failure to utilize procedures available to supplement it. Neither case equated the record on appeal to the appellate appendix or penalized an appellee for failure to include necessary parts of the record in the appellate appendix.

In the present case the *record* on appeal to the Federal Circuit was complete. What was incontrovertibly lacking was the appellate review of that record in its entirety that is a prerequisite to reversal of both the findings and judgment of the district court on the grounds here asserted by the Federal Circuit.

CONCLUSION

For all of the reasons set forth in Uniroyal/Premix's petition for a writ of certiorari, that petition should be granted.

Respectfully submitted,

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